

Aitkin County Board of Commissioners  
Request for County Board Action/Agenda Item Cover Sheet



To: Chairperson, Aitkin County Board of Commissioners Date: 11-7-12

Via: Patrick Wussow, County Administrator

From: Patrick Wussow, County Administrator

Title of Item:

County Credit Card Policy

Requested Meeting Date: 11-13-12 Estimated Presentation Time: \_\_\_\_\_

Presenter: Patrick Wussow, County Administrator

**Type of Action Requested** (check all that apply)

- For info only, no action requested
- For discussion only with possible future action
- Let/Award Bid or Quote (attach copy of basic bid/quote specs or summary of complex specs, each bid/quote received & bid/quote comparison)
- Approve/adopt proposal by motion
- Authorize filling vacant staff position
- Request to schedule public hearing or sale
- Request by member of the public to be heard
- Item should be addressed in closed session under MN Statute \_\_\_\_\_
- Approve under Consent Agenda
- Adopt Ordinance Revision
- Approve/adopt proposal by resolution (attach draft resolution)
- Other (please list) \_\_\_\_\_

**Fiscal Impact** (check all that apply)

- Is this item in the current approved budget? Yes \_\_\_\_\_ No \_\_\_\_\_ (attach explanation)
- What type of expenditure is this?  Operating  Capital  Other (attach explanation)
- Revenue line account # that funds this item is: \_\_\_\_\_
- Expenditure line account # for this item is: \_\_\_\_\_

**Staffing Impact** (Any yes answer requires a review by Human Resources Manager before going to the board)

- Duties of a department employee(s) may be materially affected.  Yes  No
- Applicable job description(s) may require revision.  Yes  No
- Item may impact a bargaining unit agreement or county work policy.  Yes  No
- Item may change the department's authorized staffing level.  Yes  No



**Supporting Attachment(s)**

- Memorandum Summary of Item
- Copy of applicable county policy and/or ordinance (excerpts acceptable)
- Copy of applicable state/federal statute/regulation (excerpts acceptable)
- Copy of applicable contract and/or agreement
- Original bid spec or quote request (excluding complex construction projects)
- Bids/quotes received (excluding complex construction projects, provide comparison worksheet)
- Bid/quote comparison worksheet
- Draft County Board resolution
- Plat approval check-list and supporting documents
- Copy of previous minutes related to this issue
- Other supporting document(s) (please list) County Credit Card & Meal Reimbursement Policies

**Provide (1) copy of supporting documentation NO LATER THAN Wednesday at Noon to make the Board's agenda for the following Tuesday. (If your packet contains colored copies, please provide (4) paper copies of supporting documentation as we do not have a color printer or copier.) Items WILL NOT be placed on the Board agenda unless complete documentation is provided for the Board packets.**

# AITKIN COUNTY ADMINISTRATION

**Aitkin County Courthouse**  
217 Second Street N.W. Room 130  
Aitkin, MN 56431  
218-927-7276  
Fax: 218-927-7374

**TO: Aitkin County Board of Commissioners**

**FROM: Patrick Wussow, Aitkin County Administrator**

**RE: County Credit Card Policy**

**DATE: November 7, 2012**

Attached are copies of the County's Credit Card Purchasing Policy, and the County's Meal Reimbursement Policy.

Staff will review these policies with the Board at Tuesday's meeting.

Please contact me if you have questions.

# ARTICLE 8 ORGANIZATION STANDARDS AND RULES

## SUBJECT: 8.14 CREDIT CARD PURCHASING POLICY

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Effective: 11/28/00

### **PURPOSE:**

The purpose of this policy and procedure is to provide detailed information regarding the use of credit cards assigned to selected Aitkin County employees to purchase goods and services for Aitkin County.

### **A. SCOPE:**

This policy and procedure applies to all County divisions and agencies that have selected employees to use credit cards.

### **B. GENERAL:**

The purchasing policy and procedure recognizes the establishment of a Aitkin County Central Services and further recognizes that the County Administrator may delegate to other specific individuals the responsibility for the performance of some credit duties at a departmental level.

### **C. BACKGROUND:**

The County has used various methods to purchase goods and services. To improve acquisition cycle time, to establish a more efficient, cost-effective method of requisitioning, purchasing, and payment for small dollar transactions, Central Services is initiating a credit card program to replace the existing methods of reimbursements for merchandise purchases. A number of unique controls have been developed for a program that does not exist in a traditional credit card environment. These controls ensure that the card can be used only for specific purposes and within specific dollar limits. In addition, purchase information will be provided in sufficient detail to allow for verification by the approving official before payment is made to the vendor.

### **D. CREDIT CARD PURCHASING POLICY AND PROCEDURE:**

This policy is intended to accomplish the following:

- To ensure that credit cards are used in accordance with Aitkin County policies.
- To ensure internal controls for authorized credit.
- To ensure that the County bears no legal liability from inappropriate use.
- To provide a convenient credit method and reduction of paperwork.
- To empower employees, increase productivity, flexibility, and efficiency.

### **Credit Card Authorization**

1. The card will have the County's name, individual's name, County service code, and expiration date.
2. The credit card vendor will have no individual cardholder information other than the County's mailing address; no personal credit records, social security numbers, or other personal information is maintained.
3. Purchase information is transmitted electronically to the card issuer for authorization.

All transactions require authorization regardless of the amount. Since the County, not the individual employee, will pay for the purchases made with the credit card, additional controls have been added to these accounts. When the

merchant seeks authorization for the purchase, the credit card system will check each individual cardholder's single daily purchase limit and 30-day limit before authorization for that transaction is granted.

### **Cardholder Spending Limits**

The delegation of authority that has been provided to each cardholder sets the maximum dollar amount for each Single Daily Purchase Limit, and a total for all purchases made with a credit card within a given 30 Day Limit billing cycle. Each time a cardholder makes a purchase with their credit card, these limits will be checked, and the authorization request will be approved or declined. The Aitkin County limits are as follows:

- Single Daily Purchase Limit - \$999.99 and no greater than the Aitkin County Board approved capital asset amount of \$1,000.00
- Thirty Day Limit - \$5,000.00

Department Heads may establish lower limits for their cardholders.

Occasionally, a unique situation may require a purchase exceeding the cardholders' limits. These purchases will not be allowed on the Department's credit card; however they will be considered capital asset purchases and require the formal approval of the County Board.

### **Use of Credit Card**

1. The credit card shall be used for County business purchases only.
2. The credit card has a broad range of acceptance by retailers, service stations, and travel services.
3. Cardholder responsibility - The credit card is issued in the name of a specific cardholder with their name embossed on the card. No other person is authorized to use the card.
4. Conditions for use - Use of the card shall be under the following conditions:
  - The total of a single daily purchase may be comprised of multiple items and cannot exceed \$999.99 and no greater than the Aitkin County Board approved capital asset amount of \$1,000.00.
  - Purchase authorization will be denied if the single daily purchase limit is exceeded.
  - Purchases over the counter - all items purchased over the counter must be immediately available and cannot be backordered.
  - Telephone Orders - all items purchased by telephone must be carefully monitored to be sure of prompt delivery prior to payment.
5. Clearly instruct the vendor to include the following delivery information:
  - Cardholder name
  - Department
  - Building name and room number
  - Street Address
  - City
  - State
  - Nine-Digit Zip Code
6. A telephone log should be used to document or record telephone credit card orders. The log should be held until the monthly billing statement is received and reconciled. The log should then be included with the billing statement and forwarded to accounts payable.
7. It is the cardholder's responsibility to notify the merchant if items appear on the statement, but shipment has not been received.

### **Documentation, Reconciliation, and Payment Procedures**

1. Documentation must be retained as proof of purchase whenever using the credit card.

2. For purchases over the counter, the cardholder must obtain a customer copy of the charge slip, reconcile the monthly statement, and submit it to Accounts Payable with the monthly statement. These documents will be used to verify purchases shown on the cardholder's monthly statement.
3. If, for some reason, the cardholder is missing documentation of the transaction, they must attach an explanation that includes a description of the item, date of purchase, merchant's name, and the reason for missing documentation.
4. The telephone log, customer copies of charge slips, and monthly statement will be reconciled by the department and forwarded to the Auditor's office for payment within seven (7) working days or within the terms and conditions of the vendor.
5. The department head must review all documentation and ensure that all purchases are valid and appropriate prior to approving the claims for payment.

#### **Requests for Credit Cards**

1. The department head/manager and County Administrator must approve credit cards.
2. All requests for a credit card will be done by submitting a Request for Credit Card form (Attachment 8B).
3. The form will be processed by Central Services with the credit card provider.
4. Upon issuance of the credit card, the cardholder will personally sign for their credit card.
5. The Central Services Department will distribute the credit card and add to the cardholder's personnel inventory list.

#### **Inventory of Credit Cards**

On an annual basis the County Auditor will conduct a physical inventory of credit cards and provide a report to the County Board.

#### **Lost/Stolen Credit Cards**

Contact information of the credit card issuer will be provided to the cardholder.

Should any employee lose or have their credit card stolen, it is their responsibility to immediately notify, within 24 hours, the credit card issuer and the Central Services Department.

#### **Disputes Regarding Credit Cards**

In case of a dispute with a vendor, the cardholder must complete, within five working days, a Cardholder Statement of Questioned/Disputed Item form (Attachment 8C).

Attachment 8B

**REQUEST FOR CREDIT CARD**

TO: Central Services

FROM: (Department/Agency)

RE: Request for Credit Card

The following employee is authorized to be issued an Aitkin County Credit Card for the department/service code indicated.

Full Name (print): \_\_\_\_\_

Sample Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Department: \_\_\_\_\_

Service Code: \_\_\_\_\_

Single Purchase Limit (not to exceed \$999.99): \$50.00 \$100.00 \$250.00  
\$500.00 \$999.99

30-Day Limit (not to exceed \$5,000.00): \$250 \$500 \$750  
\$1000 \$2500 \$5000

Restrictions (other restrictions not in Aitkin County policy and procedures):

- Gas/oil/Roadside service
- Hotel/Motel/Meals
- Departmental Supplies
- Travel: Reservations – Airline/Hotel

\_\_\_\_\_  
Signature of Department Head/Manager Date

\_\_\_\_\_  
County Administrator Date

Attachment 8C

**CARDHOLDER STATEMENT OF QUESTIONED/DISPUTED ITEM**

TO: Central Services  
THROUGH: (Approving Department Head or Manager)  
FROM: (Cardholder)  
RE: Questioned Item on Credit Card Statement

The following item(s) listed on Statement of Account is disputed.

Date of Statement of Account:

Item(s) Disputed:

Reason: (Provide information as to why item(s) does not meet your requirements. Indicate actions requested of merchant, reasons merchant refused to correct dispute, and any other information that is available to assist Central Services to negotiate dispute.)

- Action Requested:
- Return item and obtain credit
  - Exchange for same item
  - Exchange for different model, brand, etc. with applicable deduction/increase in cost. (This action will require prior approval from cardholder if cost increase is required.)

Other comments:

\_\_\_\_\_  
Signature of Cardholder

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Department Head/Manager

\_\_\_\_\_  
Date

## ARTICLE 8 ORGANIZATION STANDARD AND RULES

### SUBJECT: 8.9 MEAL REIMBURSEMENT

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Effective: 11/28/00, revised 6/25/2002, revised 8/10/04

#### PURPOSE:

To define the meal reimbursement procedures for County employees, elected officials, and authorized representatives for expenses incurred while conducting business on behalf of Aitkin County as required by the County.

Aitkin County will provide reimbursement for meal expenses when such expenses are necessarily incurred while conducting County business. The Department Head must approve all requests prior to incurring reimbursable expenses. The actual cost of meals, not to exceed \$33.00 per day, while traveling outside of the County will be reimbursed. The following daily amounts shall be followed:

Breakfast: \$8.00                      Lunch: \$10.00                      Dinner: \$15.00

Employees who meet the eligibility requirements for two (2) or more consecutive meals, shall be reimbursed for the actual cost of the meals up to the combined maximum reimbursement amount.

Reimbursements may be claimed by the individual if they depart from the work location in an assigned travel status before 6:00 a.m. or if the individual is away from home overnight.

Individuals may claim reimbursement if they are not within the County boundaries during the regular scheduled lunch period.

Reimbursement may be claimed by the individual if they are away from their normal work location in a travel status overnight or required to remain in a travel status until after 7 p.m.

The Department Head must authorize meetings with a meal charge in excess of the approved meal allowance.

When meals are part of a tuition or registration fee, no additional reimbursement request for such meals can be claimed.

Expenses for alcoholic beverages are not reimbursable.

Tips or gratuities are only reimbursable up to 20% of the meal allowance when dictated by a restaurant receipt.



The reimbursement for meals, lodging, parking, and other related County expenses will occur only upon submittal of receipts. Pursuant to federal law, meal reimbursement without overnight lodging will be included as income and subject to income tax withholding and FICA deduction. Reimbursement for out of state travel shall be made at the Federal CONUS rate at the time of travel.

If meals are included as part of a conference, seminar fee, or airline ticket and are not separately identified, they are not taxable income.